



Waiver of Section (IV)(E) of the FY 2014 – FY 2015 Comprehensive Housing Counseling Grant Program Notice of Funding Availability

Frequently Asked Questions

10/28/15

HUD is no longer prohibiting the use of HUD Housing Counseling Program grant funds in conjunction with National Foreclosure Mitigation Counseling (NFMC) Program funds. The following FAQs provide additional clarifications regarding this waiver.

1. What timeframe does this waiver cover? Is it retroactive to clients who have already been served?

The waiver is applicable to FY 2015 HUD housing counseling grant funds. The period of performance for FY 2015 grants is October 1, 2014 – March 31, 2016, and the waiver applies to all eligible housing counseling activities during that timeframe. For example, a grantee that served John Doe on October 1, 2014 and received NFMC reimbursement could charge its FY 2015 HUD grant for eligible counseling expenses related to counseling John Doe that exceeded the NFMC reimbursement.

The waiver is also valid through September 30, 2016 for cases where grantees request and are approved for an extension to the period of performance in accordance with Article III of the grant agreement.

2. Does this waiver apply to FY 2014 HUD grants that were issued under the FY 2014 – 2015 NOFA?

No, the waiver only applies to FY 2015 HUD housing counseling grants.

3. Does this waiver mean that a grantee can charge the same expenses to both HUD and NFMC?

No. The FY 2015 grant agreements continue to prohibit grantees from being reimbursed by HUD for time spent providing services that are directly or indirectly reimbursed from any other funding source. In other words, grantees are still required to include in their HUD grant vouchers only the portion of those counseling services for which the grantee does not receive reimbursement from any other funding source. For example, if it costs the grantee \$300 to counsel a client, and the grantee receives a \$200 reimbursement from NFMC, the waiver means the grantee may charge the remaining \$100 to the HUD grant.

4. What kind of documentation does HUD expect grantees to maintain if they choose to charge part of a client's housing counseling activity to HUD and part to NFMC?

HUD expects grantees to maintain the same documentation that is always required when charging multiple funding sources. For example, HUD Handbook 7610.1, Paragraph 5-7(K) requires client files to document the funding source or sources, and amounts to which the counseling activity is attributed. So if a grantee charges part of a client's counseling activity to NFMC and part of it to HUD, the client's file should show how much was charged to each source. Grantees must also maintain source documentation to support the expenses in accordance with Article X, Paragraphs E and F of the grant agreement.